



**DIOCESE OF SANTA ROSA
CHANCERY OFFICE**

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**Diocesan Finance Council Highlights-Approved
Thursday, January 8, 2015
Chancery Office – 4:00 p.m.**

Present were Bishop Robert Vasa, eight members of the Finance Council and four staff members. Following the opening prayer, the agenda was approved as written.

1. The **Minutes and Highlights** from the November meeting were approved as written.
2. **Comments of Bishop Vasa:** Bishop Vasa mentioned that he has been reviewing the Diocesan archives and found documents from the time when Cardinal Levada was at the helm of the Diocese, establishing the Finance Council. Bishop Vasa is grateful to the members of the Finance Council for their perseverance in moving forward toward financial stability. We are trying to get the Finance Council and the Catholic Community Foundation more visible. The Capital Campaign will bring more funds into the Catholic Community Foundation. The Bishop also mentioned that he and the Catholic Extension Society have been working toward finding and funding a Development Director for the Diocese and the Catholic Community Foundation. Deacon John Norris, of Petaluma, has been working for the Archdiocese of San Francisco, is retiring, and is ready to come to work for the Diocese and the Catholic Community Foundation.
3. **Report of Diocesan Finance Officer:** Dave Adams reviewed the balances listed in the Finance Officer's Report. Overall the balances have increased mostly in the Capital Campaign account. The Accounts Receivable Summary was reviewed and Dave mentioned that St. Bernard School has paid their past due balances. St. Bernard Parish had forgiven their rent payments. The boiler loan is also within 60 days of current
4. **Report of Legal Counsel:** Dan Galvin reported that the Oswald settlement was completed. There is a hearing tomorrow on the Wild Oak bike path lawsuit. He believes that the suit could be disposed of, allowing access for foot traffic and emergency vehicles and forbidding bicycles and equestrian traffic. The Fountaingrove property is out of escrow and the deposit has been returned to Anthem. The attorneys are trying to work with the neighbor in order to obtain clear access before pursuing a Quiet Title action. The attorneys had been reviewing leases and contracts.
5. **Cash Flow and Budget Committee, Budget Report:** Kim Sampietro reviewed the Budget versus Actual Cash Flow reports through the end of November. She mentioned the negative variance for Victims Assistance revenue. The billing

method for fingerprinting and other services is being changed. She also mentioned that now that the Chancery is doing payroll for 19 of the parishes, many of the operating assessment bills are paid more currently. Dan Prince said that his committee had met and he reported that the Catholic Community Foundation had recently been audited and has the same internal control procedures as the Chancery Offices.

6. Committee Reports

- A. **Membership:** No report.
- B. **Communications:** Brian O'Neel reported that there was a small article on the Finance Council in the North Coast Catholic and copies available for the Council members .
- C. **Investment:** John Moynier reported that the market value of the Diocesan Bond Portfolio as of December 31. The portfolio has earned an average return of 2.6 percent for all three accounts. The committee is pleased with Hutchinson Capital's management of these fixed income funds. John Moynier also reported that the new Investment Committee met in December. Information concerning investment policies and historical performance data were given to the members to review. The committee will be developing and revising investment strategies and policies for the Lay Pension Plan, Diocesan Investments and the Catholic Community Foundation. Dave has obtained information of the investment committees in place at the (Arch) Dioceses of Orange, Oakland, San Francisco, Monterey and Sacramento, all of which have one investment committee for all investments.
- D. **Audit:** No report.
- E. **Property:** Clem Carinalli mentioned that the Fountaingrove property is available for sale. Paul Lesage brought up solar energy projects. The subject was discussed in detail. The consensus was that it was not a financially favorable project for most church properties.
- F. **Building and Construction:** Dave reported that there were basic maintenance projects at some locations, including paving at St. Bernard Parish. Cardinal Newman High School is working on their Science Building project. Bishop Vasa said that FEMA has approached St. John School and will grant money for 80% of the school repairs because it is a school. The parish rectory needs to be rebuilt. As a result of the earthquake, St. John Parish in Napa is receiving all of the Capital Campaign proceeds, not otherwise restricted by the donor, up to \$800,000. FEMA will not assist with the rectory repairs. St. Apollinaris Gym damage will not be covered by FEMA because the gym is a Parish gym rather than School gym.
- G. **Insurance and Human Resources:** Dave Adams reported that he is working on the Workers Compensation renewal. Workers Compensation rates are on the upswing and Dave will meet with Gallagher concerning moving toward self-insurance in 2016 as several of the other Dioceses are already self-insured for workers compensation. Dave is also meeting with Catholic Mutual concerning

our Earthquake Insurance. We are currently insured in a pool with other California Dioceses, with high rates and confusing coverages and are looking for a simpler coverage structure. Next year, with the renewal in July 2015, all parishes will be asked to have their pastors and parish finance council members sign in order to decline earthquake coverage. None of the Napa properties have earthquake coverage.

H. Development: Bishop Vasa reviewed the Annual Ministry Appeal handout showing funds available for next year of \$833,000, close to the budget amount. He also reviewed the Capital Campaign handout with pledges of \$15 million receipts of \$3.5 million. Dave reviewed a detailed handout showing the funds to be paid to the parishes over the next week. The combined campaign parishes, St. Eugene, St. Rose and St. Helena receive payments each quarter. The remaining parishes, after obtaining pledges of 80% of their goal will receive semiannual (January and July) payments of approximately 25% of their receipts to date and another 10% of their receipts is deposited into their individual accounts at the Catholic Community Foundation. The balances in the Catholic Community Foundation will be available for parish needs. As a result of the earthquake, St. John Parish in Napa has already received \$53,000 of their pledge payments of \$121,000.

7. **Other Business:** None

8. **Tentative Dates for future meetings were set and the meeting adjourned.**